



PSC NEWS

Missouri Public Service Commission

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FOR IMMEDIATE RELEASE

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PSC APPROVES AGREEMENT REACHED IN KMB UTILITY CORPORATION WATER RATE CASE

JEFFERSON CITY—The Missouri Public Service Commission has approved an agreement reached by the PSC Staff, the Office of the Public Counsel and KMB Utility Corporation which authorizes the company to increase its annual water operating revenues by approximately \$9,220. Under the agreement, some customers will see rates increase while others will see a rate reduction. The rate adjustments take effect for service rendered on and after April 21, 2006.

In a May 2005 filing, KMB Utility Corporation sought to increase water operating revenues by approximately \$152,230 a year. The company stated increased operating and maintenance expenses and to provide an adequate return on investment as reasons for seeking the rate increase.

After the company's filing, the PSC Staff conducted a thorough audit of the books and records of KMB Utility Corporation. Based upon that audit, the PSC Staff stated an increase of approximately \$9,220 was warranted.

Current monthly water rates and monthly water rates as of April 21, 2006, appear below. **These numbers are based on a residential customer using 6,000 gallons of water a month.**

<u>Service Area</u>	<u>Current Water Rate</u>	<u>New Water Rate</u>
Cedar Hills Estates	\$18.13	\$19.70
Crestview Acres	\$23.37	\$24.42
High Ridge Manor	\$27.00	\$21.17
Hillshine Community	\$21.87	\$22.32
Lakewood Hills	\$24.62	\$31.53
City of Scotsdale	\$31.50	\$30.22

<u>Service Area</u>	<u>Current Flat Monthly Rate*</u>	<u>New Flat Monthly Rate*</u>
Warren Woods	\$38.12	\$38.51

(* Once a meter is installed for a customer, a customer using 6,000 gallons of water a month will pay \$30.44 a month).

Under the agreement, when a customer in the service areas of Warren Woods, Hillshine Community or Crestview Acres has a meter replaced or new meter installed, a surcharge of \$1.50 a month will be applied to that customers' bill. This also applies to 10 specific meters located in the Cedar Hills Estates service area. The meter surcharge will remain in effect for seven years or until a new rate case is filed and decided.

KMB Utility Corporation serves approximately 500 water customers in Jefferson and Franklin Counties (Cedar Hill Estates-178, Crestview Acres-50, High Ridge Manor-76, Hillshine Community-30, Lakewood Hills-113, Scotsdale-36 and Warren Woods-21 customers).